

Unique Robbery

IF not in progress but at least in crime we are setting new world records. The world has seen bank robbery of many kinds. But surely it has seen nothing like what we saw in Motijheel last Thursday — a bank being robbed not of its money or gold or the jewels in its safe deposit vaults, but of its leadership! In a style reminiscent of the Wild West or of Chicago of Mafia dons, a former Awami League MP and ruling party bigwig and his armed hooligans tore down the collapsible gate of UCBL's head office, stormed into the conference room while a board meeting was in progress there, beat up the chairman and many of the directors and had himself declared its chairman on gun point. The same man is an accused in a murder case and was earlier expelled for three years from the directorship of the bank and is alleged to owe the bank more than Tk 200 crore.

We fail to find words to condemn this criminal act. We are also at a loss to explain the role of the police in this incident. What the eye witnesses have said force us to conclude that police was in the know of what occurred and was instructed not to act.

We consider what happened at the UCBL's headquarters last Thursday as a direct challenge to legal operations of our banks. If guns and goons are to determine who will and will not be directors and chairmen of our banks then we can easily imagine what will happen to the depositors' money in those banks and what will be the nature and extent of bank defaulters. This is as much a challenge to banks as it is to the government itself. Are we or are we not living in a State where private property is safe? Are we or are we not living under a government which will protect its citizens from criminals and law breakers? How quickly Sheikh Hasina's government deals with this 'robbery' and how firmly the criminals are punished will provide the real answer to these questions.

We recall that nothing happened to the MP and his goons who allegedly murdered an opposition student activist in broad day light on Mirpur Road during a hartal. Nothing also happened to that gun-toting hartal breaker whose picture was flashed on the front pages of many newspapers on several occasions. Let the rulers be aware that the people are watching and judging.

FCBs Can Earn More Goodwill

IT is nice to note that foreign commercial banks (FCBs) have been doing good business. This is an indication of depositors' trust and confidence in the FCBs and it also bears a testimony to their acumen and efficiency. There is no doubt that the FCBs have earned tremendous goodwill by their excellent customer services. The FCBs can expand this fund of goodwill and reputation by lowering interest rates on loans and venturing into newer areas of banking backed by the kind of logistics they have. The Parliamentary Standing Committee on Finance Ministry observed on Wednesday that the FCBs enjoyed various facilities from the Central Bank and depositors but do not reciprocate the same to the borrowers. We do not agree with all that was said by that committee. We should not gloss over the quantity of client service provided by them. The way we look at it, the FCBs are really at a vantage point from where they can diversify their investments, particularly in cottage industry, agro-based industry and export-oriented enterprises. Compared with the local and nationalised commercial banks they are in a much better position as the FCBs are not burdened with huge non-performing loans as the former are. As a result the cost of funds of FCBs is high, as the former finance minister Saifur Rahman observed very rightly. President of Chittagong Stock Exchange Amir Khasru Mahmud Choudhury MP also apprised the committee of some other special treatments the FCBs receive from the Central Bank like the 50 per cent refinancing of their investments in industrial projects at a rate of eight per cent only.

We commend the FCBs for setting up such excellent standard of client service. They can profit more by broadening their horizon of investment and thereby playing their due role in the financial growth and stability of Bangladesh.

Industrial Estates

WE welcome the decision taken to set up at least twelve more industrial estates in the country within the next five years. When implemented, it would generate employment, and help invigorate the economy generally. That said, the news albeit comes at a moment when Bangladesh's industrial sector is plagued with too many problems. Power generation, road communication and port facilities will have to be upgraded before we can think of setting up the proposed industrial estates, far less running them properly. What we are experiencing now is far from satisfactory. The magnitude of load-shedding and voltage fluctuation is fearfully on the rise; transport sector is in a soup due to transport union tyranny and toll-collection. Frequent stalemates at river and sea-ports still remain among the down points.

The disruption of electricity supply due to load-shedding reduces productivity while voltage fluctuations damage the machines. These would automatically increase costs, and may ultimately cause the industries to shut down. All this is our biggest impediment to industrialisation.

There has been a long talk about Mongla Port being made into a deep sea port. However, there are many vested groups involved here whose priority seemingly lies with the Chittagong Port. But the Chittagong Port is not performing to its full potential either.

The bottomline is that we have a reasonably good infrastructure in place before we head-long into industrialisation.

The Government and the Gruesome Market

The debate should hang around not whether government should or should not be in business but in what kind of businesses a government should poke its "muddy" nose.

ACCORDING to economist JA Roumasset, the tone of economists has always been divided along the lines of the political right and left. Those leaning on the left have traditionally viewed government intervention as a panacea for overcoming market failure and those on the right have generally voted against any such government intervention. They argue that the "so called market failures" could be more effectively managed by voluntary action than by coercive government actions. Free market economists, as Roumasset argues, "also maintain that justice is more a matter of protecting liberty than taking from the rich and giving to the poor". En passant, in the war front of the right and the left, government intervention is assumed as necessarily anti-market while any attempt at promotion of market is usually considered as anti-government. That there could be a "pro-market government intervention" is hardly a hypothesis to reckon with till to-day.

During the last three decades or so, the theory of economic development witnessed a number of stages of "fad" and "fancy". And in tandem, economic planning and policy prescription also experienced sharp turns, sometimes to the right and sometimes to the left.

In taking stock of events, the pertinent question that emerges is: what lessons are provided by the experiences on the role of government in economic development? One could recall, perhaps, that in the 1960s, pervasive prevention of government actions were in evidence (via tariff and non-tariff barriers, subsidies, fiscal incentives) to materialise the scheme of transferring resources from the traditional to the modern sector. However, the import substituting strategy of the 1950s and 1960s, in fact, lend support to an initial period of success with manufacturing growth.

The decade of the 1970s witnessed a shift as international development agencies started encouraging developing countries "in promoting new agricultural technologies and to build infrastructure such as bridges, roads, electrification, and irrigation works". In the meantime, governments also embarked on initiating some other programmes to compensate for private sector inefficiencies, e.g., subsidising inputs, rural credit, land reforms etc.

The plethora of government actions, however, met with limited success. As far as agricultural production, productivity and employment were concerned, a sight of relief, never-

theless, could be sensed but taking the overall performance, concerns continued to creep up. Obsessions with price factors left the non-price factors, e.g., infrastructure, education, health, judicial reforms, etc., completely ignored and 'subsidy programme also failed to achieve benefits that were not commensurate with their total economic costs'. Allegedly, those intervention also led to marked distortions in the economy.

the bloc of developing countries thus seem to witness not only pervasive market failures but also tremendous government failures. 'Getting prices right' thus becomes the avowed goal of the countries mostly devoting their funds from Bretton Woods institutions.

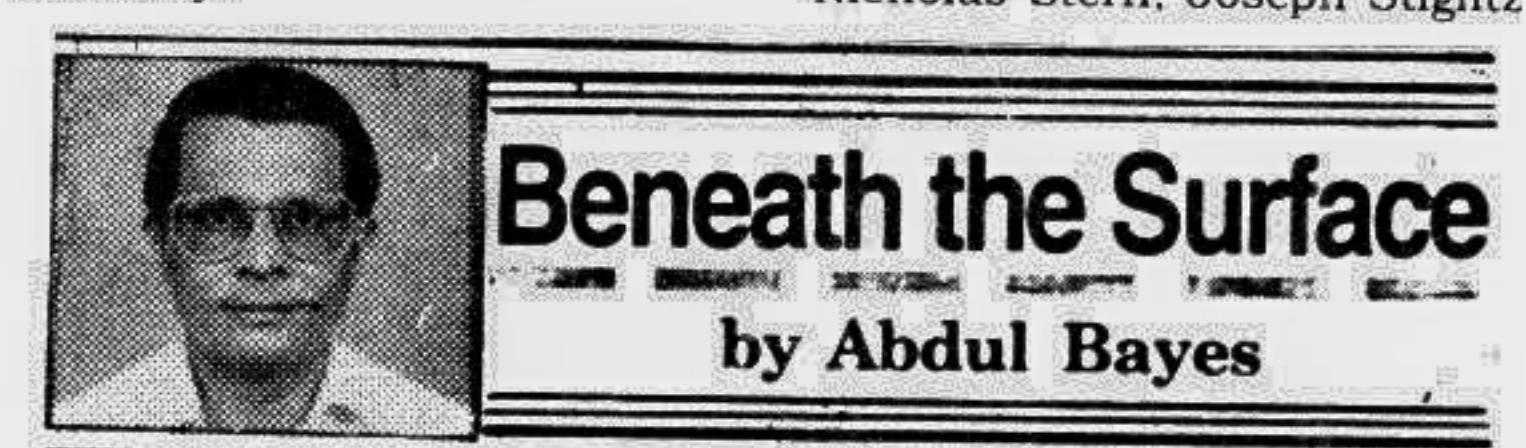
In this case what should be the role of the state or government in fostering economic development? Over the years, economists like Amartya Sen, Nicholas Stern, Joseph Stiglitz

public sector (government interventions) in Korea, China, and to a greater extent in Sri Lanka, its minimum presence in Hong Kong and Singapore and its failure in India, Pakistan and Bangladesh. Second, the question at stake is not whether the government should play any role but what should constitute the appropriate role of the government in the sphere of economic activities carried out by the economic agents.

Third, some of the authors pointed out that preponderance of government's actions should vary across the types of needs of the economic agents. For example, as far as income distribution is concerned, social security should be the obvious candidate for government action.

On the other hand, if the government aims at fostering and forestalling citizens' 'rights', it ought to be active in the persuasion of education and health programmes. As far as the market failure is concerned, the government needs to be earnestly and seriously active in the development of infrastructure, roads, power etc. Where the government should not at all be active, according to these economists, is in the production of hair clips, lipsticks, motor cars, textiles, etc.

Fourth, the most important role of the government is not so much in 'getting prices right' by itself as in seeing that prices are getting right. This would necessitate interventions in areas like setting rules and providing incentives for private sector development, establishing private property laws and contract laws, drawing anti-monopoly laws, ensuring smooth functioning of the economy by providing shelter against outside (defence) and inside (mafia, hooliganism, etc.) attacks. In other words internal and external defence should be a principal motto. Once government tends to tinker with these interventions, it could be observed that government intervention is not necessarily anti-market but in fact, pro-market. The debate should hang around not whether government should or should not be in business but in what kind of businesses a government should poke its 'muddy' nose. In Bangladesh, for example, where markets are allegedly held hostages by mafians, where bureaucrats tend to control production of bread and butter and where institutions to grease human resources development are ransomed by the guns and the goons, a new line of reasoning on the role of government needs to be at the top of the agenda. The government should never fail to save markets.



Beneath the Surface

by Abdul Bayes

Thus, the interventions that were forestalled to wipe out 'market failures', like externalities, also unveiled the plaque of 'government failures'. Government failures loomed large on two fronts: a failure to correct the existing distortions arising out of market failures and secondly, positively contributing in the distortion when the market apparently stands right. Countries all over the world (especially, those lying in

and JA Roumasset dwell on the issue. First, appropriate analysis on this score (public vs. private sector dominance) warrants that one should not be ideologically loaded to start with, rather, any opinions on this should take into account the institutions, the nature of government and the nature of private sector in particular countries. This being the case in point, we appear to observe the positive contribution of the

Euro and Transshipment

by Syed Ashraf Ali

This sovereignty was bought at tremendous costs in terms of human lives and honour of our mothers and sisters. It cannot be undermined by some passing trucks and lorries. If any thing, we have now lot more people and lot more blood running through our veins.

EURO and transshipment look like two topics from two different worlds but the underlying philosophy of Euro and the ongoing controversy over the transshipment of Indian goods through Bangladesh represents two extremes of regional cooperation. While Euro grew out of intense desire of European nations to close ranks, leaving behind past animosity, for the well being of the peoples through regional cooperation, the controversy over the transshipment facility has been raised mainly to create an ambience of non-cooperation and to whip up an under current of sentiments against the big neighbour.

The subservience of what is more of an economic issue to political expediency is symptomatic of the subcontinent where the bogey of security and sovereignty is often raised to gain political mileage because the leaders do not much else to offer to the hungry millions. An additional topic for India and Pakistan is Kashmir, or more precisely Kashmir is in danger, especially when there is election around or internal dissensions to be suppressed. And when the dusts are settled over the valleys and mountains and bodies counted, the peoples, for their efforts and tax money, get

only handful of sands, some patriotic songs, few charity matches involving glamorous film stars; the families of the dead get some medals and bundles of towels to wipe their tears while the soldiers retrace their steps to square number one. What a waste?

European nations who fought relentless wars for centuries including the two great ones early this century cannot claim to have buried their hatchets. The war of words still rages and one day they may like the feuding Balkans, take up arms again. But they have, as a minimum, found a common platform to work together for the economic wellbeing of the region. In the process, some of what they sacrificed could be brandished by our short sighted leaders as threat to security and sovereignty. For instance, there is not much of common borders in the economic sense among the once belligerent fifteen countries of the European Union. On a typical motorway in any of the countries British trailers and Portuguese oil carriers could be seen trailing

French lorries, Italian trucks and German containers.

And now this Euro takes them one step ahead to forge unity. Not only have eleven of the fifteen countries, who have so far joined the European monetary system, surrendered their centuries old right to control money and credit to the all powerful European Central Bank (ECB), but from January 1 this year they joined under the common banner of Euro. Within about a year and a half last nails will be driven to the coffins of what chauvinists could call a symbol of sovereignty, the national currencies.

In contrast, what we have here is mutual suspicion ridden SAARC and the occasional tea parties in which the leaders and mini leaders of the region meet, begin and end only with rhetoric. We have also a rag tag of a payment union with a fancy name, Asian Clearing Union which, contrary to its name, does not include Asian nations except those from the subcontinent, Myanmar and Iran. It was put on stream

twenty-five years ago but has not progressed much beyond where it started from. Like its politico-economic version, the SAARC, the Asian Clearing Union produced some wish lists but they ended in the baskets. The benefits would not justify even the cost of tea consumed by the central bank chiefs in the annual get-together parties.

Are we, the poor people of this part of the world doomed to remain where we are — perpetual penury? Possibly so; for, apart from politicians who have obviously their eyes to grind and voters to woo, our intellectuals have joined in the fray with their weird theory of security and sovereignty. They smell foul anything that has to do with regional cooperation especially when there is India in one side of the spectrum.

What could be the possible objections to transshipment? Admittedly, it will not be the greatest thing since Adam Smith but it will provide some jobs to our unemployed youth and some foreign exchange for the country. It may be 500 million or 5 million American dol-

lar but some income nonetheless. And we came out as a means of security concession say, in terms of transshipment facility with Nepal and Bhutan.

How does it undermine our security and sovereignty? The people opposing the transshipment has probably something like a Trojan Horse in the back of their mind: the armed people entering Bangladesh under cover of cargo and suddenly burst out of lorries and trucks and whisk away our freedom and sovereignty. Is our sovereignty so fragile? This sovereignty was bought at tremendous costs in terms of human lives and honour of our mothers and sisters. It cannot be undermined by some passing trucks and lorries. If any thing, we have now lot more people and lot more blood running through our veins.

Will India use the facility to send arms to suppress insurgencies in her eastern periphery? We do not know what would be the clauses in the agreement but India has already a 26-mile corridor to send as much arms as she likes. It is also difficult to understand how suppression of insurgency would harm Bangladesh. On the contrary, it is dangerous to harbour insurgency across one's border since, as Pakistan has learnt from Afghanistan, sooner or later it spills into your own territory.

Besides, one does not need the guise of transit to send arms into another land. Bin Laden and company are learnt to be

sending arms to this country to stir trouble and they do not have anything like transit right!

And smuggling? We hear that there could be some packages thrown from the trucks and lorries. Given the present level of honesty and accountability it remains a possibility although it is claimed that the containers would remain completely sealed while transiting through Bangladesh. But can we stop smuggling — transit or no transit? Our porous border is, so to say, wide open. The government may employ as many security personnel as it likes but smuggling will continue. May be it will intensify if you have more people guarding the borders. The menace of smuggling cannot be wiped out by guns; it has to be confronted by economic weapons — by organising the fundamentals. Besides, although smuggling is often used as an excuse for our failure, in reality the difference between the official trade and cross border informal trade, from economic as well as welfare point of view, is often blurred at the edges. What we routinely label as scourge to economy is perceived by European Union, LAFTA, NAFTA and even the one close to us, ASEAN, as movement of the factors of production that, they claim, contribute to growth and collective welfare.

The question of collective welfare may wait but let us not put out the flicker of light, however small it may be, that holds promises for the millions waiting in the wings for a better day.

The writer is a former Executive Director of Bangladesh Bank

To the Editor...

Letters for publication in these columns should be addressed to the Editor and legibly written or typed with double space. For reasons of space, short letters are preferred, and all are subject to editing and cuts. Pseudonyms are accepted. However, all communications must bear the writer's real name, signature and address.

Sonar maati

Sir, Driving out the slum dwellers in Dhaka using official *sonar* is due to our deep love for *sonar maati* of *sonar Bangla*. The political plotting for plots of land in the metropolis may be a sequence to the cancellation of over 300 Rajuk plots, allotted to nearly 280 faithful followers for services rendered in private and party interest (not public interest).

The public would not have objected had the dimension of each plot been restricted to 6 ft by 3 ft. The Tanbazar misadventure might have the same motivation, who knows, as the benefit of the doubt cannot be given to the policy makers (don't touch the prostitutes, the headlines are screaming).

Nobody talks of silver spoons in the mouth (the schemes discussed verbally in private are worth crores which mere silver cannot acquire). The governance has to come to terms with brass tacks; and drive the plough along the narrow lane to *sonar Bangla*. But there is diamond about it, the city plots, and the twinkling plans drive away any recall of eclipses, solar, lunar, or political.

Esoteric literature point to more severe natural calamities during the millennium period — the severe earthquake in some part of the world is not a flash in the pan; as also the 200mph typhoons along the Florida coast. The greater the rise (of evil), the greater the fall (it is all a matter of gravity). The golden response is always 'jee' (yes, Sir/Madam). Beware of the anti-concurrence wave.

AZ
Dhaka

Queer Cantonment (and other tales)

Sir, Queer things are happening in the Dhaka Cantonment and the Air Force HQs. Why certain wedding guests are not allowed to partake of the delicious *polao* in the Cantonment community centre called Senakunja; and MIG missiles and armament are being purchased on credit when 40 per cent of the armed personnel are not proficient in rifle firing (letter in DS, Aug 17); and a batch of our police officers were rejected for peace duty overseas under UN as their firing standard was not good enough.

The civilians are also acting queer. Last Tuesday, while I was coming by a rickshaw on Mirpur Road, I found the road

blocked to traffic near Road 5, Dhanmondi R/A by several minibuses. The police also appear to have gone berserk (under orders) as Tanbazar CIP cells have been evacuated; and the city slums in Dhaka are being bulldozed right and left; till the Court asked the mighty government to stop it (earlier story); the government had to pay some fine in the court for some misdemeanor for whatever is the term.

There are other symptoms of queer activities: school students putting up road blocks for academic failures (don't ask which side); imported dogs sniffing around bureaucratic files inside the Secretariat and DESA and PDB cannot collect rentals amounting to several thousand crore Taka (no connection with the normal wedding expenses). The salaries of the civil service are reported to be paid through official bank loans. There are booby traps in the streets of Dhaka, called uncovered manholes, for hiding people, and breakabouts for the rich. What is remarkable about it is that it is an official tax-paid service!

Senakunja (a type of queer community centre), is now perhaps becoming a military defence security risk. There it may be forthwith banned to all civilians (with or without flagged cars), for rental, entry and the streets of Dhaka, called uncovered manholes, for hiding people, and breakabouts for the rich. What is remarkable about it is that it is an official tax-paid service!

A sane civilian commission may probe this unique case of detaining of the wedding guests while trying to invade a military cantonment, with intentions not that unfriendly (is that the catch?). The pity is that the possession of voter identity card would not have allowed entry in this instance. Cantonment politics is not a new phenomenon, only we are seeing a new, hybrid manifestation of an incredible new style of politics.

A Husnain
Dhaka

Earthquake in Bangladesh?

Sir, In the consequence of earthquake in Turkey many families lost everything and the sufferings of millions are endless.

We have observed and found that every after five to ten years an earthquake of intense velocity hits one country or another

causing widespread and unprecedented devastations, killing thousands of people.

Bangladesh is prone to floods and we have attained wide experience in tackling the havoc of flood. But we have not faced any major earthquake as yet. But nobody can foretell as to how and when a natural calamity might strike a country.

In view of the colossal sufferings inflicted to innumerable countries due to earthquakes, we strongly feel that we (Bangladeshis) should always remain in preparedness to face the eventualities of a major earthquake.

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Where is Agriculture Commission's Report?

Sir, A news item titled — "Where is Agriculture Commission's report?" published in the DS on 15 August has drawn my attention. It is really shocking to learn that the high-powered Agri-Commission constituted three years back by the government is yet to submit its report.

In our country, agriculture sector comprises of crop, livestock, fisheries and forestry. So, it is quite logical that the Agri-Commission's report cover all these sub-sectors. We have also been eagerly looking forward to see the Agri-Commission report since it is expected to provide some policy direction towards the development of the country's agri-education system.

We sincerely hope that the Agri-Commission will soon submit its report and the government will circulate it for public opinion.

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Crash programme on arsenic poisoning

Sir, I had the opportunity to go through some files on press clippings on the slow mass arsenic poisoning (through drinking underground water from the shallow tube-wells in the rural areas) prevailing widely in Bangladesh. The situation calls for more than routine attention.

It is roughly estimated that tens of million people are actively and passively affected; and as the positive symptoms of arsenic infection take several years to develop, it is difficult to build up a reliable data base for planning long-term projects to contain the evil. The western media have splashed the news that this mass arsenic illness is the greatest public health crisis in the history of mankind.

What will be the adverse effects on the succeeding generations? Not another Hiroshima, we hope!

Luckily we have several thousand NGOs working in the rural areas, with high penetration rate right up to the village household level. The government may like to review how to make the maximum use of the NGOs by associating these in awareness and preventive programmes, in collaboration with the government, UN, and donor agencies.

It may also be studied whether the impeded flow of deltaic water through the Farakka Barrage contributed in any way to the wider spread of arsenic contamination in the northern districts of this deltaic region, the largest in the world. Is the presence of arsenic-enriched underground water in the non-deltaic regions of the same magnitude as in the deltaic regions? The proposed International Institute of Arsenic Studies (IIAS) may well be located in Bangladesh for systematic studies, for global application.

The other international problem is that large scale arsenic poisoning is a new phenomenon, hence sufficient literature on its spread and cure are not available at international level for proper study and planning of relevant projects. Therefore there is the need for some crash programmes to get one's bearing on this sudden eruption of arsenic poisoning in one of the regions in the Third World. The latter have not the technical and financial resources to fight this natural menace without global cooperation. But there is plenty of human resources for guided team-work.

WHO is aware of the problem in Bangladesh, and the GoB have announced some working projects on arsenic mitigation. For public assurance, a regular information service is necessary, which must have a large verbal and audio-visual content for comprehension of the majority of the people who are illiterate.

Abul M Ahmad
Dhaka

Perfect analysis

Sir, Presently the ruling party and the main opposition party are at daggers drawn over transshipment issue. However, the general people are often confused as to who is or what is correct as from none of the quarters we get the correct picture.

In this dilemma, the DS commentary of 5th August titled 'Don't Fudge, Talk Straight about Transshipment' has been a 'perfect analysis' and suggestion of the situation in my consideration.

Thank you.
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OPINION

PC-Training — Market Regulation

A Husnain

Now, with increasing government attention, the local market of computer training may have to pass through a phase of fall-out (cleansing of the mushrooming growth), with increasing pressure of regulation and monitoring, and introduction of standard practices. Transparency, if not introduced during the initial period, behaves like an eye cataract — needs an operation later.

Some confusion and uncertainty is a part of the game during the teething period. After this phase, the market should fall into a formal pattern, whose rhythm will focus the direction of the coming decade. The tone or style of this business has to be right from the beginning, hence the rules of the game have to be followed by all the players: the regulators, the trainers, the trainees, the equipment interface, and the teaching material. What is not right should be dumped during the screaming process — no hard feelings. The training market has to be debugged (truth is bitter).

The development pattern will follow the needs of the players, including the clients, namely the trainees. In this sector, global standards and market forces have to be recognised in the local environment. To avoid system loss, the accent should be on quality control of the level of training. There are no short-cuts during the training period.

To adapt local conditions, one of the human drawbacks is the lack of proficiency of non-English-medium trainees in practical English (read, write; and later, speak). There may be an offer of optional supplementary course on English orientation, supported with CD lessons with voice and writing lessons.

The trainees may be provided with one-stop services before, during, and after the training course. Extended consultancy services (further studies, and job placements which provides the preliminary incentive and motivation); and personal supplies (cash purchase at subsidised rates). This is the spot in one's career to encourage hire purchase of locally assembled personal computer for SOHO

(small office, home office) activities. DIY (do it yourself) kits, which are much cheaper, may also be offered to the PC enthusiasts in the PC Super Stores and Clubs for self-assembly (under free guidance). A hobby enhances a new professional's career by reducing the learning curve.

In the publishing sector, a new market will open in making available computer literature at popular prices. Both the print and the CD media have to be encouraged. Printers have yet to be assembled in Bangladesh, and the prices of imported consumable spares/accessories are high. The market should be able to take initiative, provided the ground rules are attractive.

Later, as PC Clubs develop in the localities, sponsored projects may be considered, such as "Each One Teach One" scheme, to increase computer literacy. The bonus to these volunteer one-time teachers need not be in cash, but in providing extended services such as free maintenance and supplies for a limited period. Annual competitions in the PC Clubs will create an environment of encouragement. Why we cannot imagine a Bill Gates in the cowshed behind the quarters/flat? (the car garage may come later, as it does in our country).

To coordinate all these activities, formal and extra-curricular, the official or authorized coordinating agency has to proceed systematically so as not to be caught napping in case demand exceeded resources too fast in the immediate future.

The proposed Bangladesh Institute of IT should be able to act as an anchor supported by BCS and the association of the service providers; providing further output through authorized magazines and web sites, not only for the students, but also for the industry.

The ministry of S&T has to play a pivotal role during the pioneering years, to move into the right gear through the difference between the S&T adventure and the global market is wide open. What more incentive is necessary? We have what money cannot buy — untapped human resources. What are we waiting for?